PSJ14 Janssen Opp Exh 36 – JAN00008227


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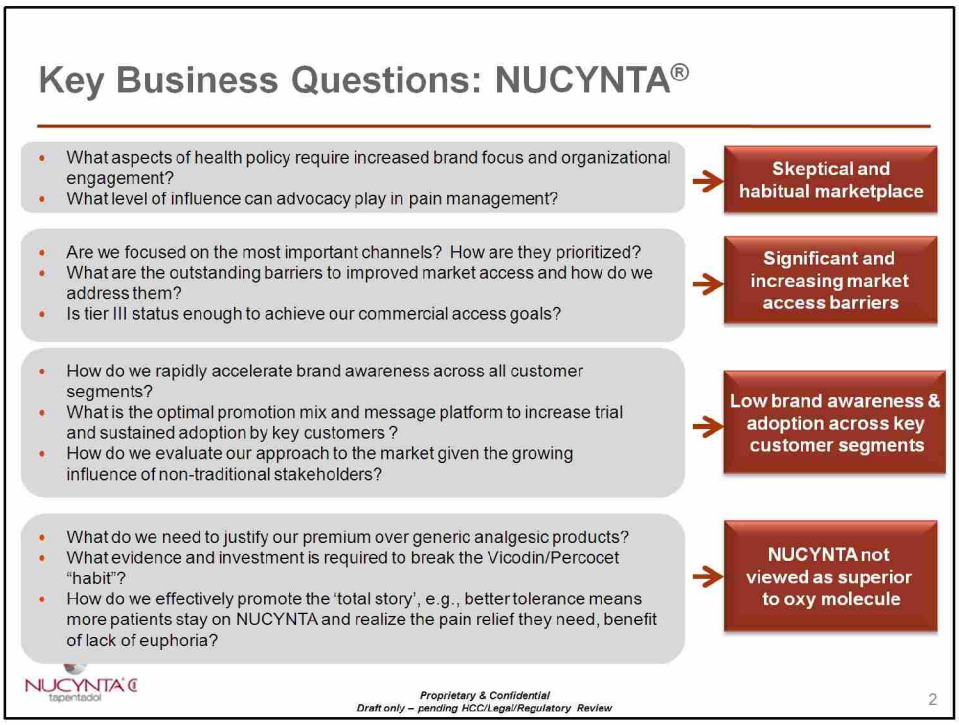
NUCYNTA®
2011 Business Plan
July 27, 2010
DRAFT ONLY
NUCYNTA®
tapentadol


Key Business Questions: NUCYNTA®
What aspects of health policy require increased brand focus and organizational engagement?
What level of influence can advocacy play in pain management?
Skeptical and habitual marketplace
Are we focused on the most important channels? How are they prioritized?
What are the outstanding barriers to improved market access and how do we address them?
Is tier III status enough to achieve our commercial access goals?
Significant and increasing market access barriers
How do we rapidly accelerate brand awareness across all customer segments?
What is the optimal promotion mix and message platform to increase trial and sustained adoption by key customers ?
How do we evaluate our approach to the market given the growing influence of non-traditional stakeholders?
Low brand awareness & adoption across key customer segments
What do we need to justify our premium over generic analgesic products?
What evidence and investment is required to break the Vicodin/Percocet "habit"?
How do we effectively promote the 'total story', e.g., better tolerance means more patients stay on NUCYNTA and realize the pain relief they need, benefit of lack of euphoria?
NUCYNTA not viewed as superior to oxy molecule
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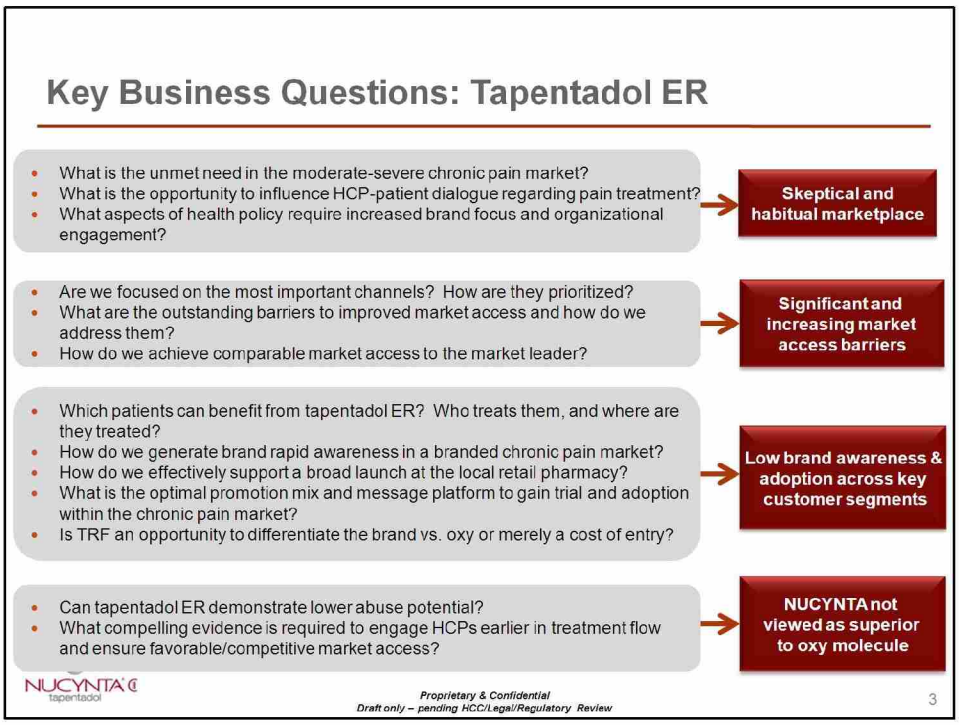
Key Business Questions: Tapentadol ER
What is the unmet need in the moderate-severe chronic pain market?
What is the opportunity to influence HCP-patient dialogue regarding pain treatment?
What aspects of health policy require increased brand focus and organizational engagement?
Skeptical and habitual marketplace
Are we focused on the most important channels? How are they prioritized?
What are the outstanding barriers to improved market access and how do we address them?
How do we achieve comparable market access to the market leader?
Significant and increasing market access barriers
Which patients can benefit from tapentadol ER? Who treats them, and where are they treated?
How do we generate brand rapid awareness in a branded chronic pain market?
How do we effectively support a broad launch at the local retail pharmacy?
What is the optimal promotion mix and message platform to gain trial and adoption within the chronic pain market?
Is TRF an opportunity to differentiate the brand vs. oxy or merely a cost of entry?
Low brand awareness & adoption across key customer segments
Can tapentadol ER demonstrate lower abuse potential?
What compelling evidence is required to engage HCPs earlier in treatment flow and ensure favorable/competitive market access?
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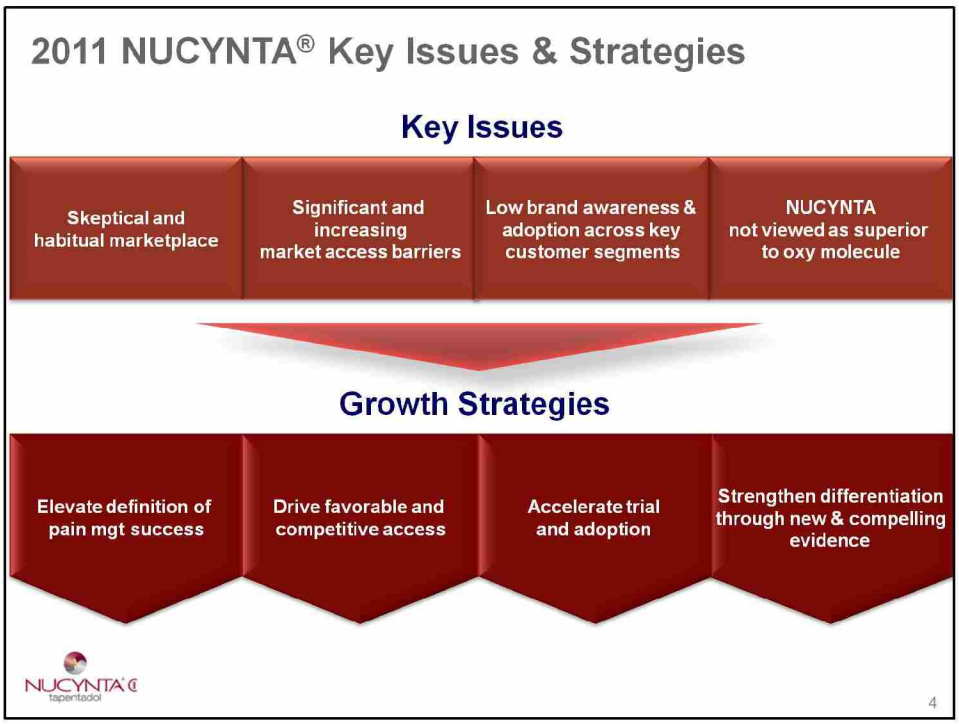
2011 NUCYNTA® Key Issues & Strategies
Key Issues
Skeptical and habitual marketplace
Significant and increasing market access barriers
Low brand awareness & adoption across key customer segments
NUCYNTA not viewed as superior to oxy molecule
Growth Strategies
Elevate definition of pain mgt success
Drive favorable and competitive access
Accelerate trial and adoption
Strengthen differentiation through new & compelling evidence
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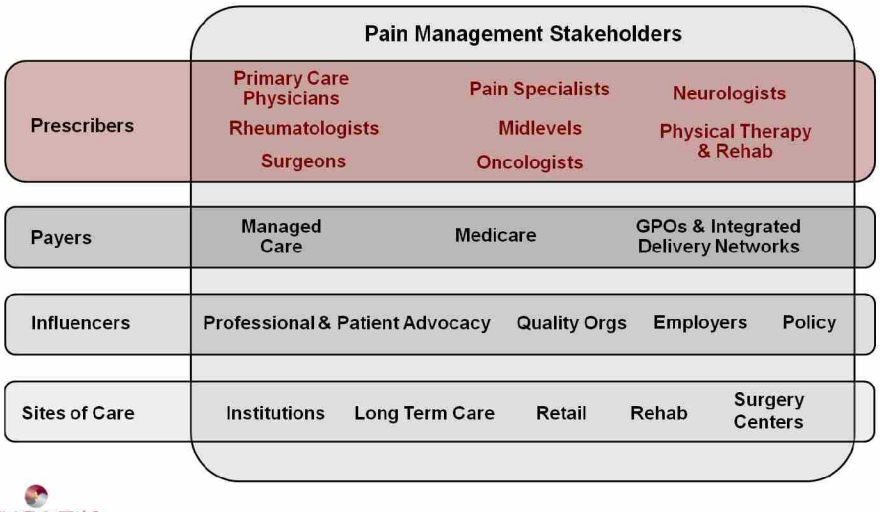
Strategies & Executional Drivers

Elevate definition of pain mgt success	Drive favorable and competitive access	Accelerate trial and adoption	Strengthen differentiation through new & compelling evidence
Leverage Points; Market Definition	Value Proposition; Marketing Mix	Succeed vs. the Competition; Positioning & Messaging; Marketing Mix	Value Proposition
Executional Drivers			

• Engage advocacy and PR to help define patient treatment success & access pain management options
• Define patient activation opportunities in chronic market
• Develop patient education programs to ensure patient adherence
	• Achieve access goals across channels per account segmentation analysis
	• Execute integrated channel pull through by plans at regional /local level
	• Execute co-pay assistance programs to address perceived cost perceptions
	• Implement appropriate opioid use and economic value tools
		• Deploy direct selling resources to maximize reach & frequency in key customer segments
		• Cultivate multidisciplinary advocates to deliver peer to peer education
		• Develop multi-faceted non personal promotion plan
		• Advance capabilities to identify and engage non-traditional stakeholders who affect pain management decisions
			• Generate substantial evidence (economic, clinical, patient outcomes) to strengthen value proposition
			  • Superior Efficacy vs. Oxy
			  • Real World Outcomes vs. Oxy
			  • Reduced abuse potential

NUCYNTA® success requires integrated effort across stakeholders within their sites of care



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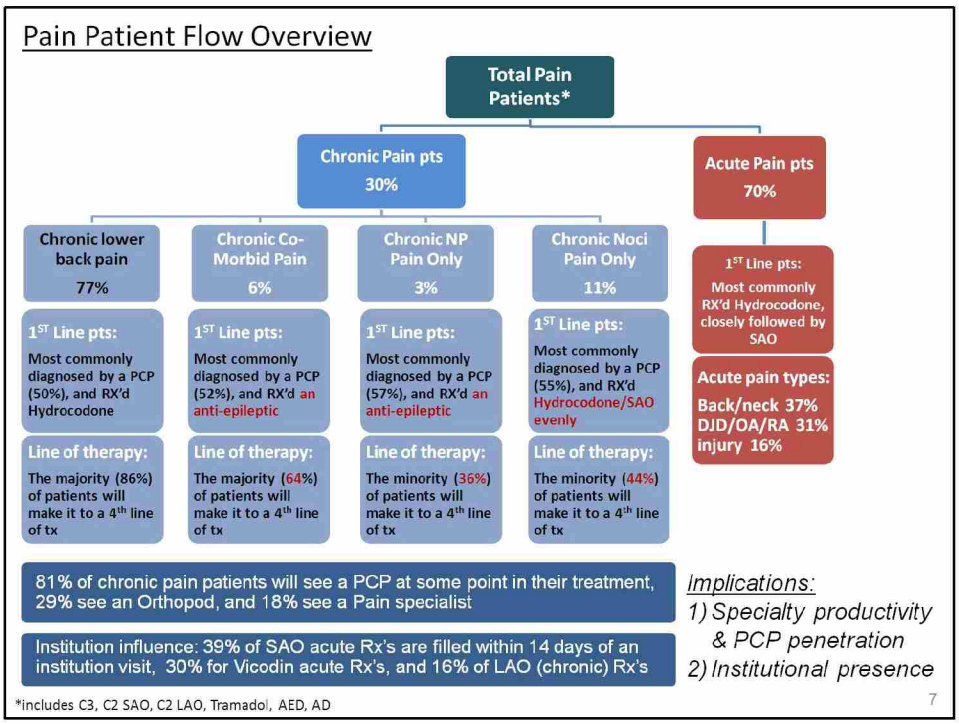

Direct Selling Assumptions 2011

	PAIN	AI/GI	CVI	COBI	SCG
Target Audience	~ 26 K Pain Spec, Hi vol PCPs, Rheum, Neuro, ORS, mid levels (non retail excluding CVI accounts)	~ 24 K PCPs Midlevels	2,600 hospital accounts (127 hospital systems) 75,000 contacts (ORS, EM, PCP, mid-levels)	~ 3.5 K ONCs GO, HEM, HO, ON, SO, OMO, RO, ASO and all Mid-Levels assocw/ Onc	Key regional & national accounts
# reps	459	474	334	162	
Portfolio	NUC ELM	LEV, ACI REMI, NUC	DORI, NUC LEV IV, BIOPATCH	PROCRIT, DOXIL NUC	

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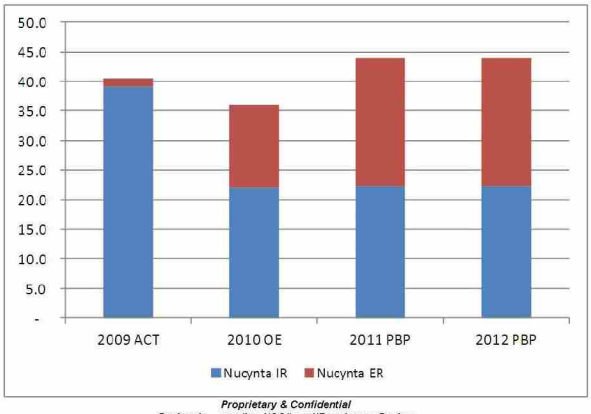
2010 OE-PBP BME's – Total NUCYNTA®

	2009 ACT	2010 OE	2011 PBP	2012 PBP
Nucynta IR	39.2	22.2	22.2	22.2
Nucynta ER	1.5	13.8	21.8	21.8
Total	**40.6**	**36.0**	**44.0**	**44.0**



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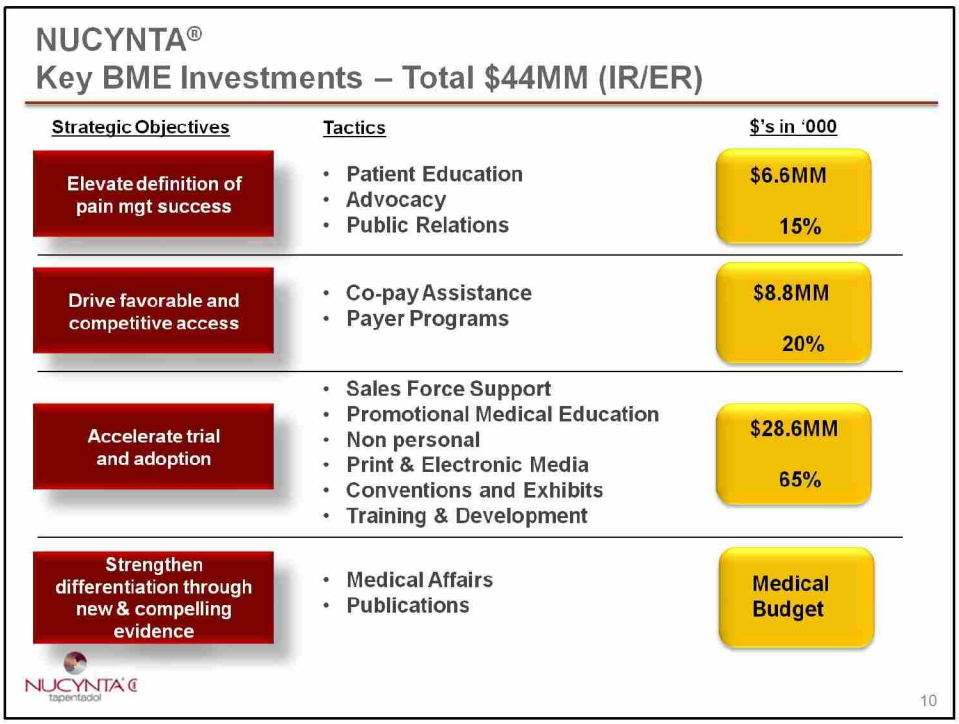

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  - Pfizer will actively add to clutter – use us for both; Faster acting longer lasting
- Habitual prescribing of PDE5s and SSRIs
  - Become second line therapy
  - As the pie grows a greater utility of non-indicated medication
  - SSRI PRN use / cost

Life Style
- Risk/benefit may not warrant Rx
  - Referrals to specialists (not a PCP responsibility)
- Reimbursement issue
- Patient/Physician Population Apathy
  - Target Seg. don't go to Dr.
  - Cheap, private, online options
  - Private condition; private soln
- Persistency challenges

"First to Market": Define the market with highest standards and optimize first mover position
- n=12,000
- Broaden awareness as "mainstream" prevalent and treatable condition
- First to Market lets us prime market according to our standards
- Set PRO outcome measures (partner)
- Equal opportunity category
- Huge buzz factor if harnessed correctly

Establish excellence in PE patient management
- Treatment expectations
- Capitalize on patient motivation to self assess appropriately / privately
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Product Attributes ("one minute wonder"; SSRI halo; Black box)
Clinical Data Gaps (Concomitant use with PDE5 and SSRIs; Depressed patients; LT safety)
Internal comfort level with Brand / category message
Opportunity cost assoc w/product position
COGS + pricing model?
Lack of perceived medical legitimacy
- Disease state understanding; "in your head"
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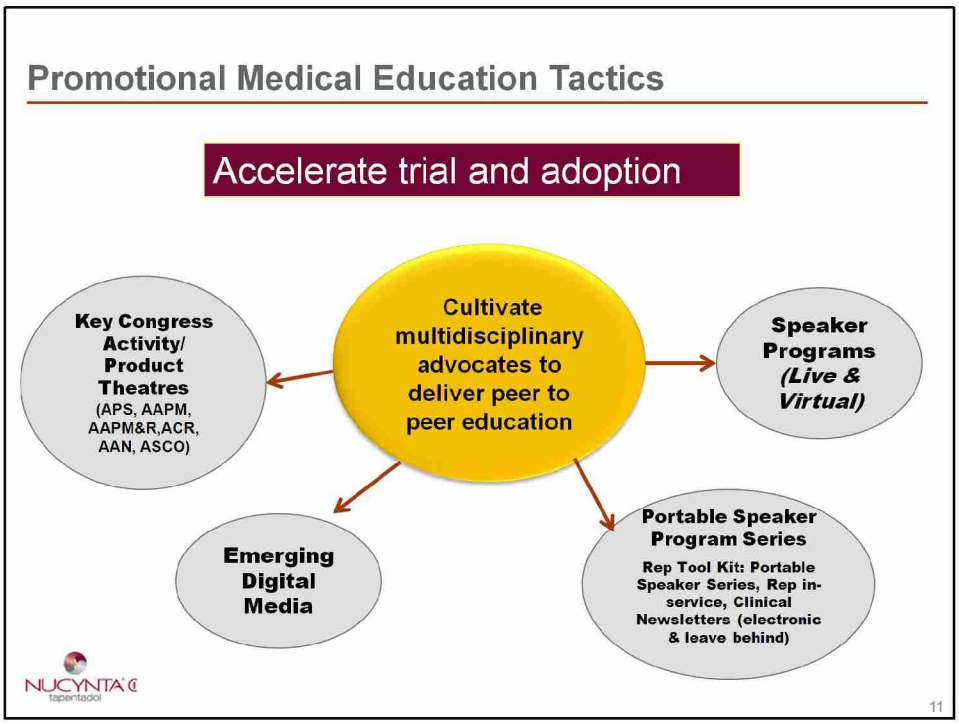
- Managed Care coverage

Net, through internal and external analysis we have identified 4 key areas for focus in 2004

Sales for optimization : captures all of the changes to the organization and opportunity to leverage and grow


Promotional Medical Education Tactics
Accelerate trial and adoption
Cultivate multidisciplinary advocates to deliver peer to peer education
Key Congress Activity/ Product Theatres
(APS, AAPM, AAPM&R,ACR, AAN, ASCO)
Speaker Programs
(Live & Virtual)
Emerging Digital Media
Portable Speaker Program Series
Rep Tool Kit: Portable Speaker Series, Rep in-service, Clinical Newsletters (electronic & leave behind)
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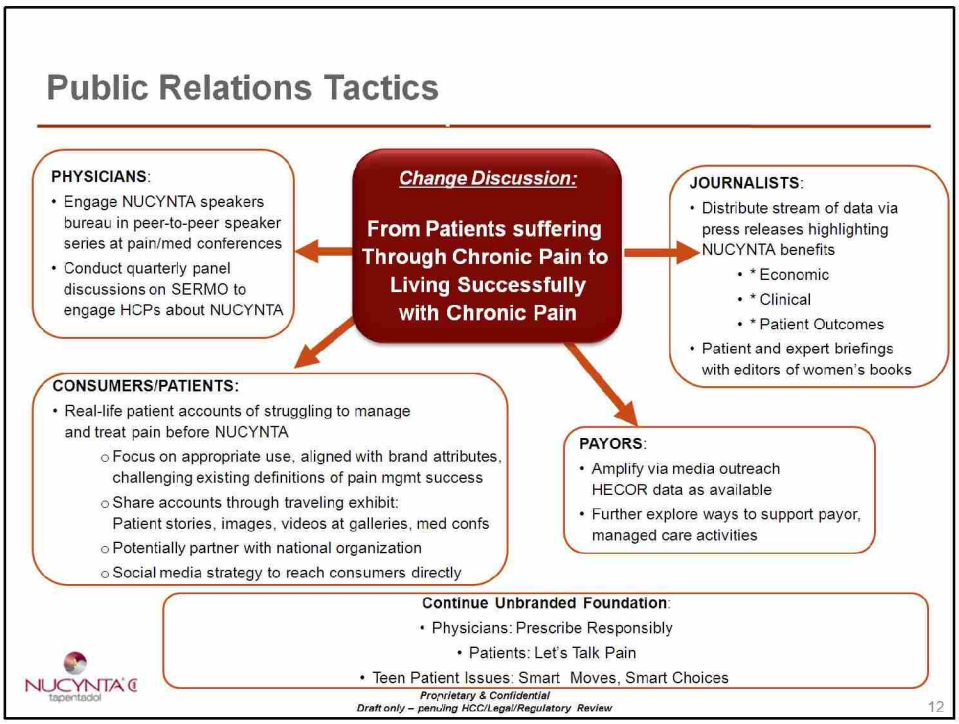
Public Relations Tactics
PHYSICIANS:
• Engage NUCYNTA speakers bureau in peer-to-peer speaker series at pain/med conferences
• Conduct quarterly panel discussions on SERMO to engage HCPs about NUCYNTA
Change Discussion:
From Patients suffering Through Chronic Pain to Living Successfully with Chronic Pain
JOURNALISTS:
• Distribute stream of data via press releases highlighting NUCYNTA benefits
• * Economic
• * Clinical
• * Patient Outcomes
• Patient and expert briefings with editors of women's books
CONSUMERS/PATIENTS:
• Real-life patient accounts of struggling to manage and treat pain before NUCYNTA
○ Focus on appropriate use, aligned with brand attributes, challenging existing definitions of pain mgmt success
○ Share accounts through traveling exhibit: Patient stories, images, videos at galleries, med confs
○ Potentially partner with national organization
○ Social media strategy to reach consumers directly
PAYORS:
• Amplify via media outreach HECOR data as available
• Further explore ways to support payor, managed care activities
Continue Unbranded Foundation:
• Physicians: Prescribe Responsibly
• Patients: Let's Talk Pain
• Teen Patient Issues: Smart Moves, Smart Choices
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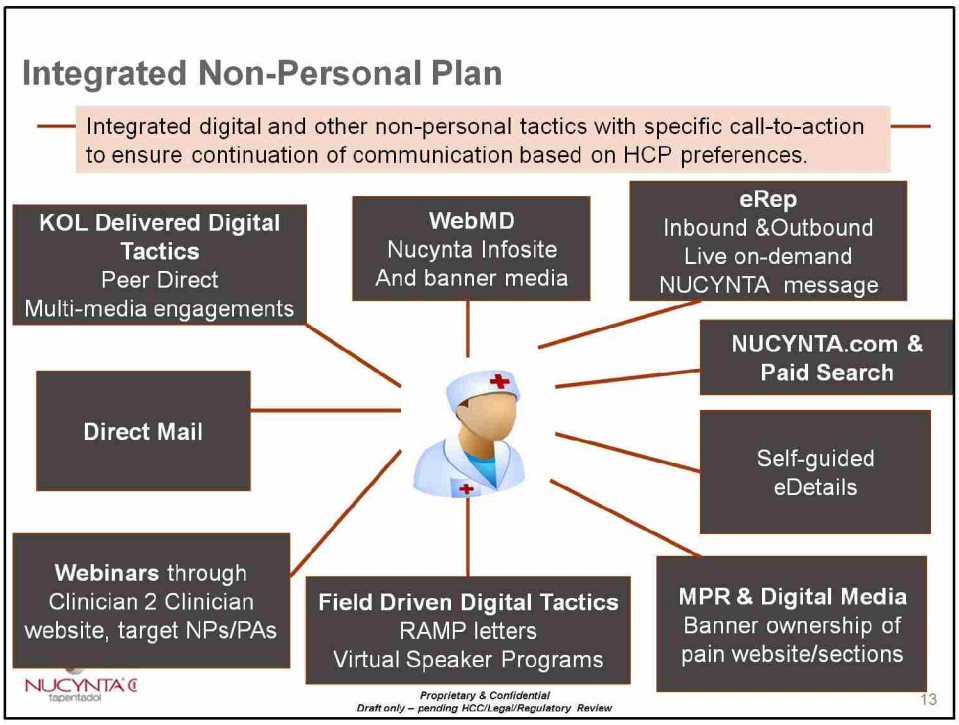
Integrated Non-Personal Plan
Integrated digital and other non-personal tactics with specific call-to-action to ensure continuation of communication based on HCP preferences.
KOL Delivered Digital Tactics
Peer Direct
Multi-media engagements
WebMD
Nucynta Infosite
And banner media
eRep
Inbound &Outbound
Live on-demand
NUCYNTA message
NUCYNTA.com & Paid Search
Direct Mail
Self-guided eDetails
Webinars through Clinician 2 Clinician website, target NPs/PAs
Field Driven Digital Tactics
RAMP letters
Virtual Speaker Programs
MPR & Digital Media
Banner ownership of pain website/sections
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NUCYNTA Media Campaign

- Amplified campaign across various stakeholders for both NUCYNTA and tapentadol ER.
- Objective: To increase awareness and broaden reach among prescribers and payors
- Target Audiences:
  - PCP, Pain Specialists, PM&R, ORS, Oncologists, Rheum, Neurologists, Pharmacy and Payors

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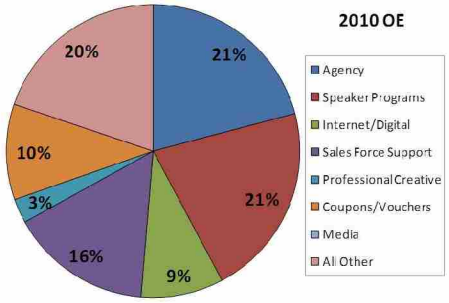
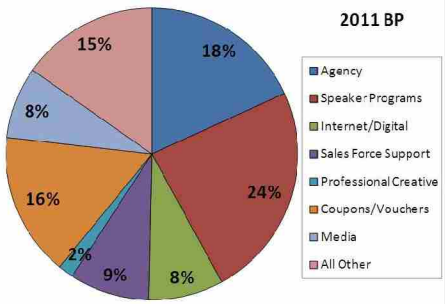
2010 OE-PBP BME's – TOTAL NUCYNTA

Drivers of Change Between 2010 and 2011

- Media
- Coupons
- Peer to Peer
- Public Relations





Total budget - $36MM

Total budget - $44MM

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2011 MR Plan
NUCYNTA IR/ER Details
July 2010
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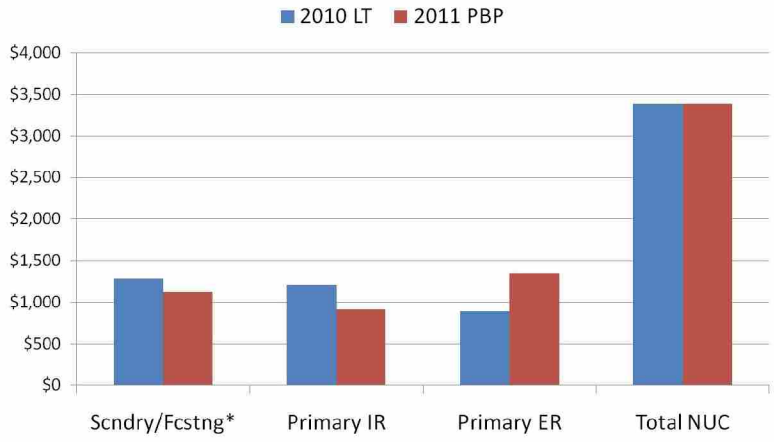
2010 LT vs 2011 Nucynta Molecule Budget



*2010 includes LAO market analysis, retail and institutional patient flow expense
-does not include funding for REMS program support

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Key Market Research Spend ($2.3MM IR/ER)

Strategic Objectives	MR Spend	IR Spend	ER Spend
Elevate definition of pain mgt success	• Consumer/Patient focused	$145k	$75k
	• New stakeholder research	$100k	$50k
Drive favorable and competitive access	• Managed care – prescriber		$50k
	• Competitive response / other	$50k	$100k
Accelerate trial and adoption	• Message alignment, User study	$150k	$265k
	• Message refinement, creative refresh	$140k	$190k
	• Awareness/tracking	$275k	$275k
	• SFE tracking	$200k	$200k
Strengthen differentiation through new & compelling evidence			

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Backup

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Key Prescriber Insights: NUCYNTA®

	Drivers	Barriers	Key Learnings
Primary Care	- Comparable efficacy to gold standard, Oxy IR - GI tolerability - Low perceived addiction and/or abuse potential	- Low awareness - Cost/access issues - No meaningful translation of MOA - Low recognition/concern re: GI side effects w/ SAOs	Low awareness inhibiting trial and use where comfort & familiarity are key drivers. No recognition of need for dual pathway treatment in acute pain. **Need to drive awareness and trial in LBP patient**
Pain Specialists	- Recognize huge unmet need in pain management; greater willingness to trial - Pain management experts; understand and appreciate dual MOA	- Cost/access not as big an issue; prior auths can be rate-limiting - Using Nucynta in more difficult to treat chronic pain - Efficacy questionable in refractory pain patients	Most conclude dual pathway MOA provides a more comprehensive pain approach as well as opioid-sparing effects. Need to assure use in appropriate patient types.
Orthopedists	- Effective post-op pain relief - GI tolerability	- Relevance of MOA - Cost/access not big issues for post-op pain patients, unless hospital will not stock	MOA not important; focus should be on GI tolerability allowing dose to efficacy in post-op patients.

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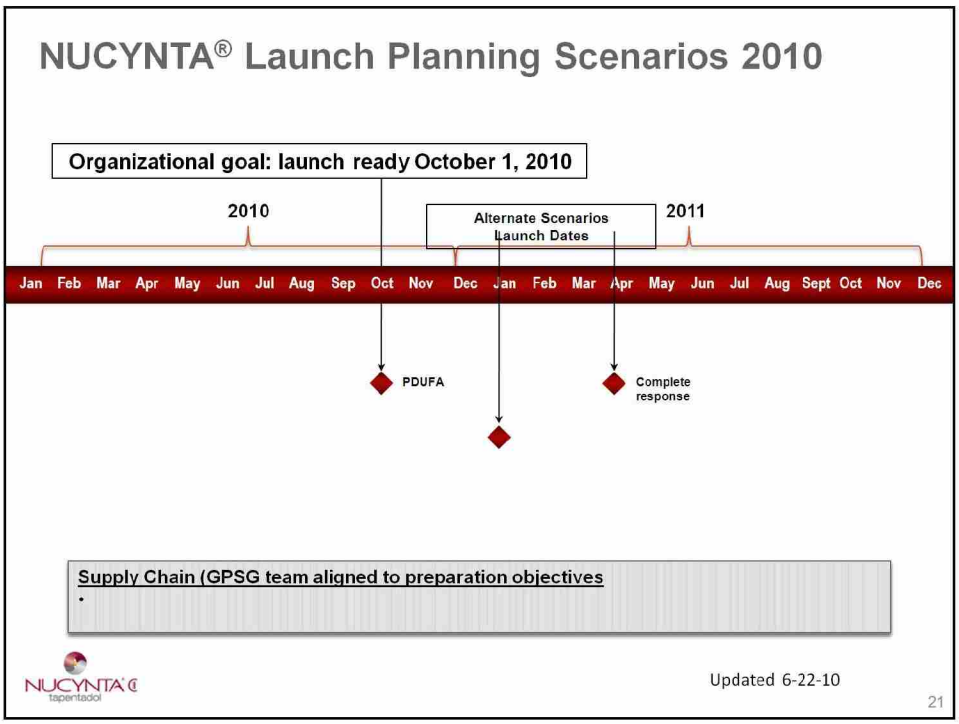

2/26/10 King announced resubmission of Remoxy to FDA in 4Q10 (delayed from mid 2010). New launch estimate 2-3Q11.

2011 Strengths

- NME including ER TRF at launch
- Dual MOA, MU/NRI, provide opioid sparing effects
- Significantly better GI tolerability and low rates of pruritus
- Low discontinuation and higher global patient satisfaction rates
- Robust clinical data- efficacy across multiple pain models, including neuropathic pain
  - Proven efficacy vs gold standard comparator
  - Long term safety data
- Large SOV w/personal selling
- Diverse company w/large resources
- Low drug/drug interactions
- Core Pain Specialist KOL's

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2011 Weaknesses

- Serotonin syndrome and SSRI labeling
- Maximum dose limits ability to convert from competitors
- Relative contribution of norepinephrine vs. mu-opioid benefit has not been quantified and relation to efficacy in NP is tangential
- Alcohol contraindication
- Higher rates of headaches (CNS)
- Underdevelopment of current (Pain) KOL base in certain specialties (PCP, ONC, RHEUM)
- Sales force inexperience in severe, chronic pain

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2011 Opportunities

- Assess abuse and diversion from launch
- Opioid of choice in patients w/neuropathic symptoms
- Generate data for better patient outcomes and MRU
- Prospectively prove superiority (efficacy and tolerability)
- Advocacy, Employers and Quality Organizations have growing influence
- REMs could increase comfort of HCPs to Rx LAO CIIs
- Contract for preferred placement in MCOs
- Channel specific approach for managed care
- Oxycontin fatigue w/payers/Purdue irresponsibility
- Opportunity in elderly (dissatisfied w/current tx) especially in OA
- Large portion of chronic pain is mixed
- Engage patients
- Terms & conditions of oxy contract are up for negotiation
- Non face-to-face selling

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2011 Threats

- Low brand awareness
- Confusion between tramadol and tapentadol
- Level of education in large segment of audience do not appreciate benefit
- Access block by competitors in key plans
- Oxycontin TRF, promoting something new
- Possible new managed care tiering structure
- Reduced SOV due to noise in market around TRF and REMs methodology
- Purdue pre-positioning NUCYNTA ER trial negatively
- Very low penetration across all specialties
- Pharmacy stocking

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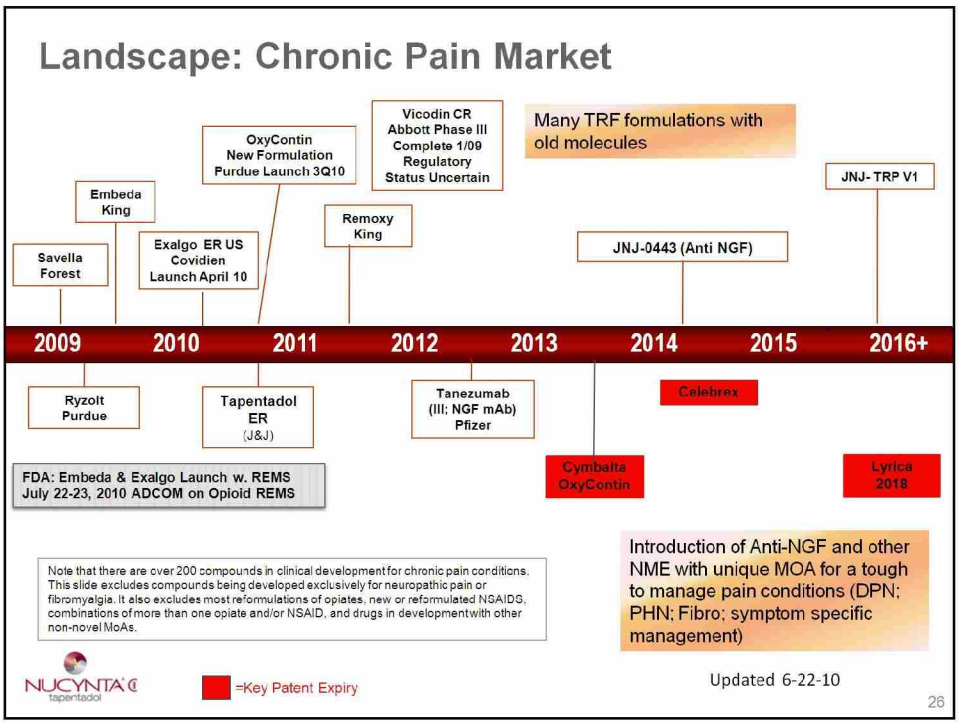

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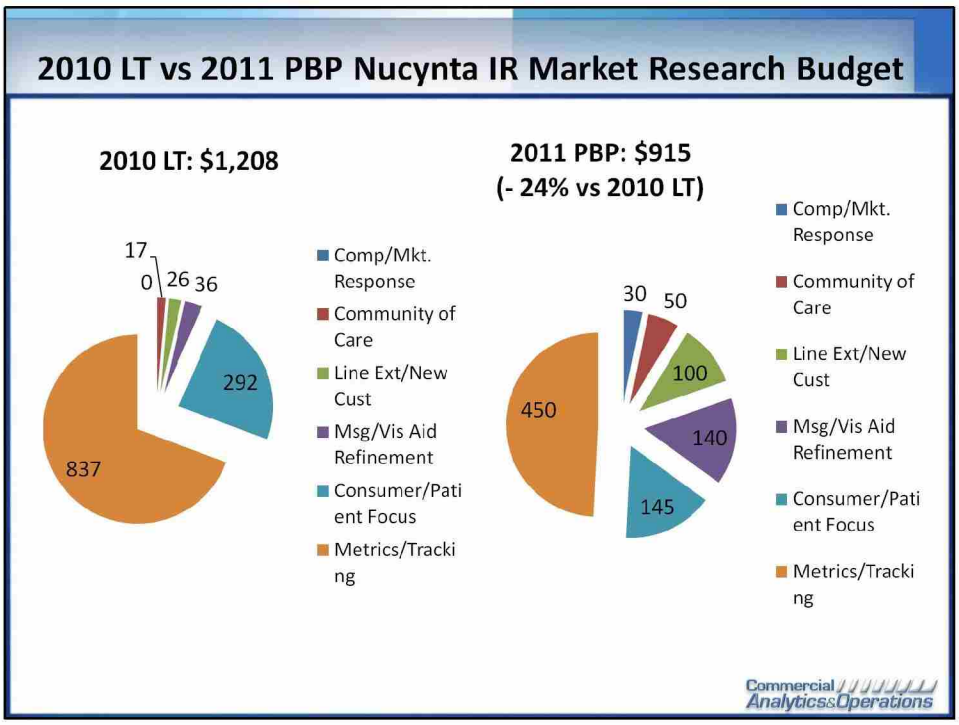
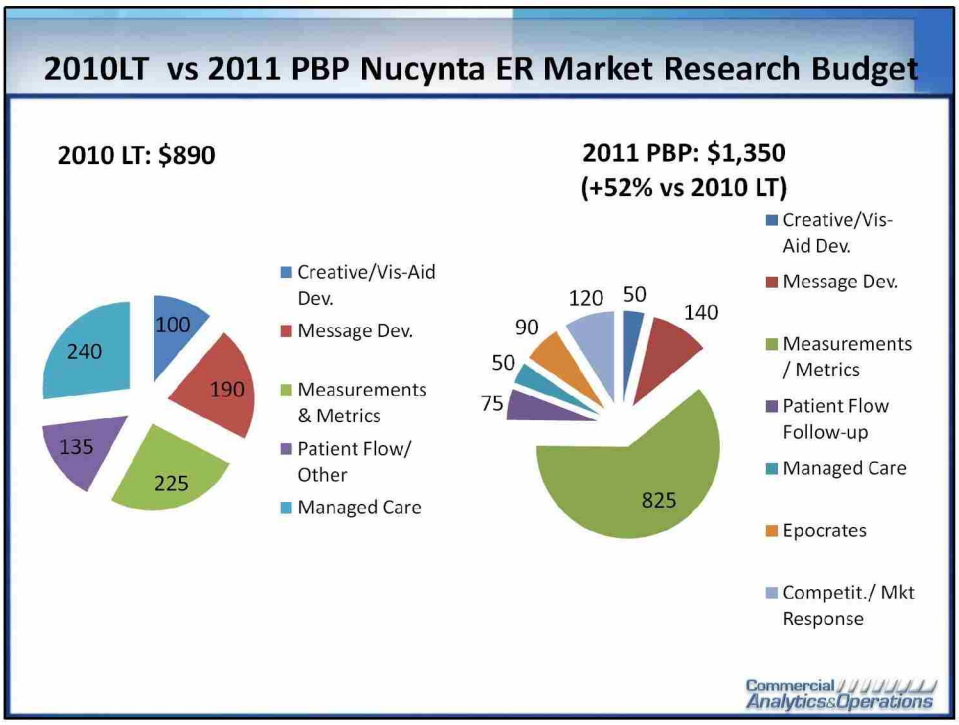

2010 LT vs 2011 PBP Nucynta IR Market Research Budget
2010 LT: $1,208
17
0
26
36
292
837
Comp/Mkt. Response
Community of Care
Line Ext/New Cust
Msg/Vis Aid Refinement
Consumer/Patient Focus
Metrics/Tracking
2011 PBP: $915
(- 24% vs 2010 LT)
30
50
100
140
145
450
Comp/Mkt. Response
Community of Care
Line Ext/New Cust
Msg/Vis Aid Refinement
Consumer/Patient Focus
Metrics/Tracking
Commercial Analytics&Operations


2010LT vs 2011 PBP Nucynta ER Market Research Budget
2010 LT: $890
100
190
225
135
240
Creative/Vis-Aid Dev.
Message Dev.
Measurements & Metrics
Patient Flow/ Other
Managed Care
2011 PBP: $1,350
(+52% vs 2010 LT)
120
50
140
90
50
75
825
Creative/Vis-Aid Dev.
Message Dev.
Measurements / Metrics
Patient Flow Follow-up
Managed Care
Epocrates
Competit./ Mkt Response
Commercial Analytics&Operations

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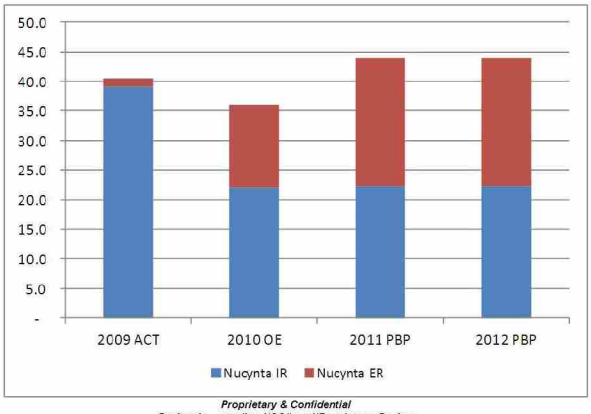

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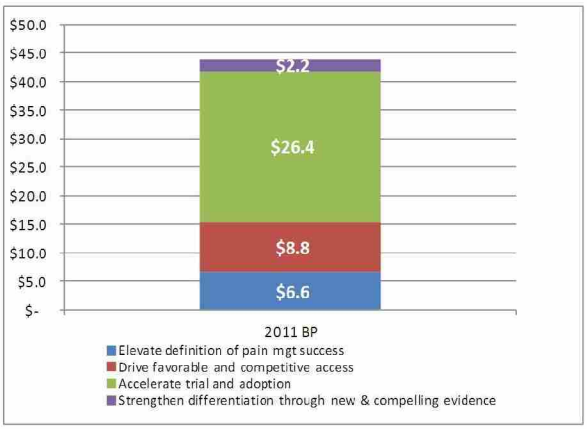
2011 Spend by Strategy – TOTAL NUCYNTA



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Total budget - $44MM

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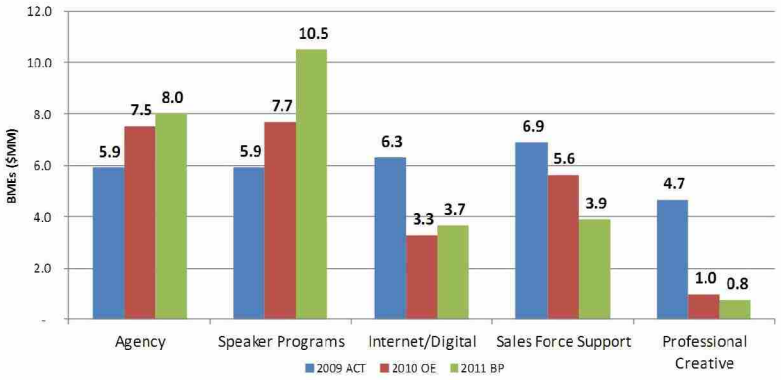

Total budget:
2009 - $40.6MM
2010 - $36MM
2011 - $44MM

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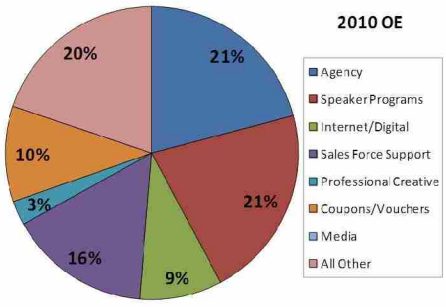
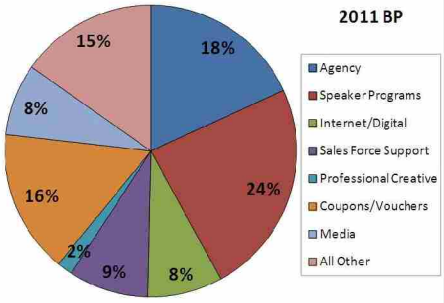
2010 OE-PBP BME's – TOTAL NUCYNTA





Total budget - $36MM

Total budget - $44MM

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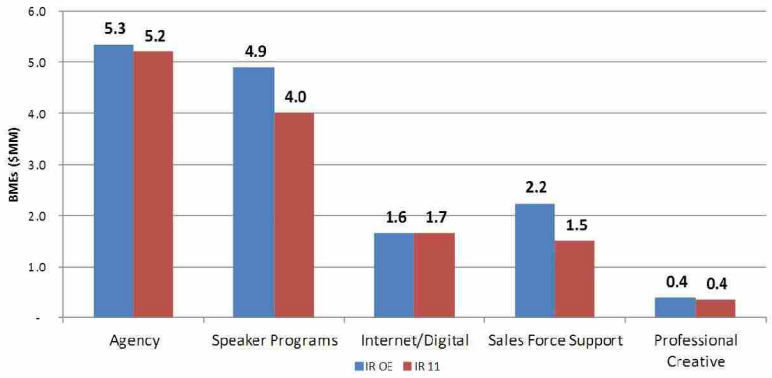
2010 OE-PBP BME's – NUCYNTA IR



Total budget:
2009 - $39.2MM
2010 - $22.2MM
2011 - $22.2MM

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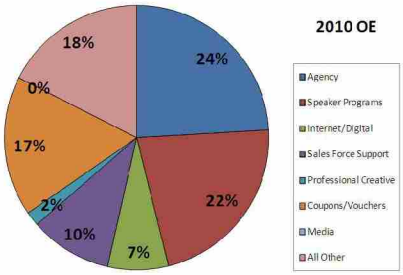
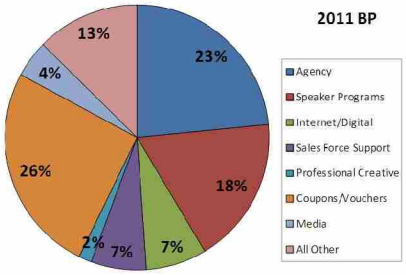
2010 OE-PBP BME's – NUCYNTA IR





Total budget - $22MM

Total budget - $22MM

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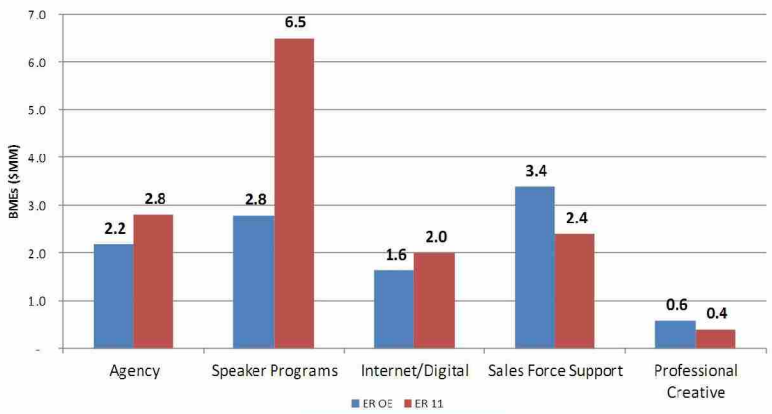
2010 OE-PBP BME's – NUCYNTA ER



Total budget:
2009 - $1.5MM
2010 - $13.8MM
2011 - $23.8MM

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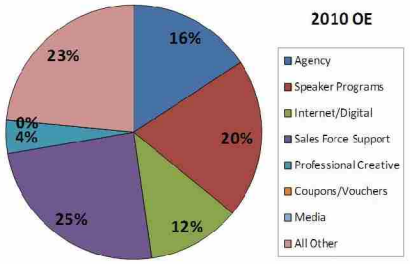
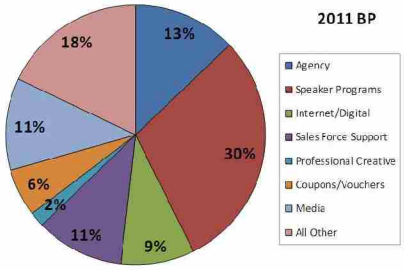
2010 OE-PBP BME's – NUCYNTA ER





Total budget - $14MM

Total budget - $22MM

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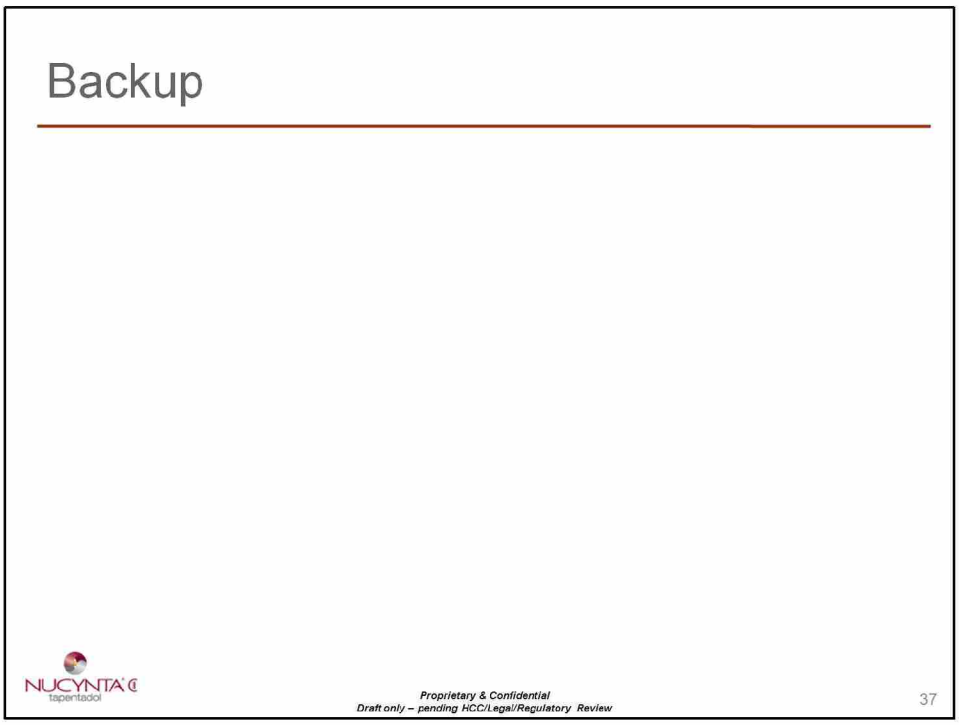
Backup
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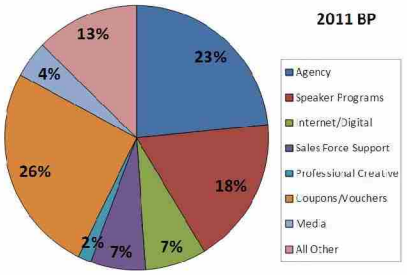
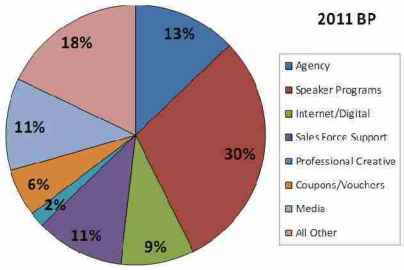
2010 OE-PBP BME's – NUCYNTA IR



NUCYNTA - $22MM



NUCYNTA ER- $22MM

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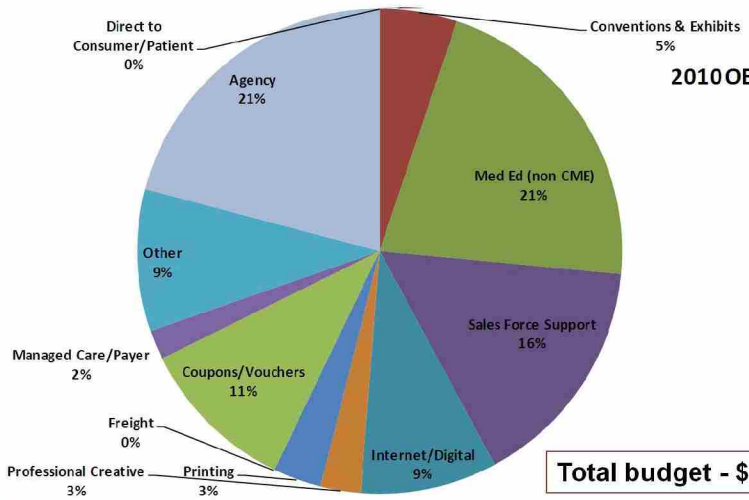
2010 OE BME's – TOTAL NUCYNTA



Total budget - $36MM

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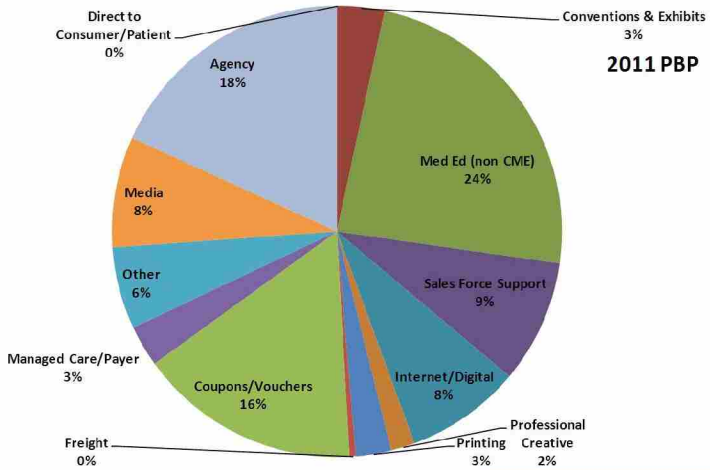
2011 PBP BME's – TOTAL NUCYNTA



Total budget - $44MM

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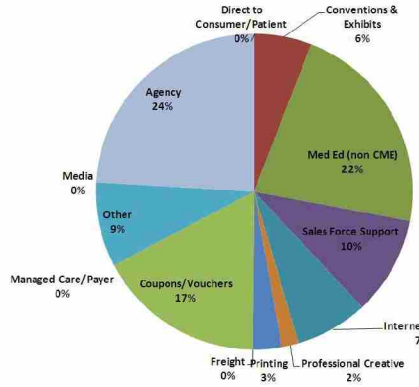
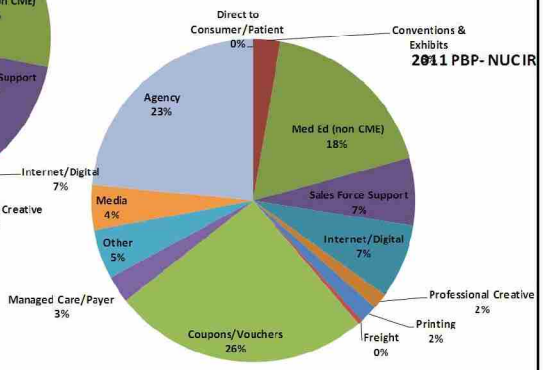
2010 OE-PBP BME's –NUCYNTA IR



2010 OE - NUC IR

Total budget - $22MM



2011 PBP- NUC IR

Total budget - $22MM

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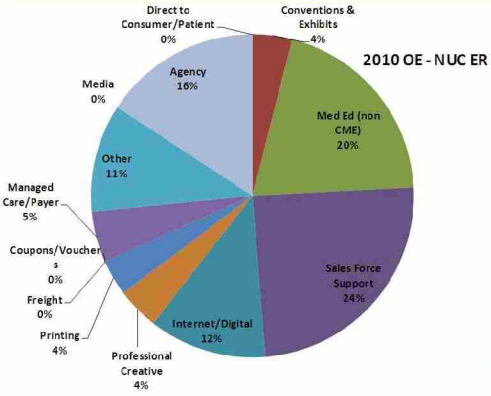
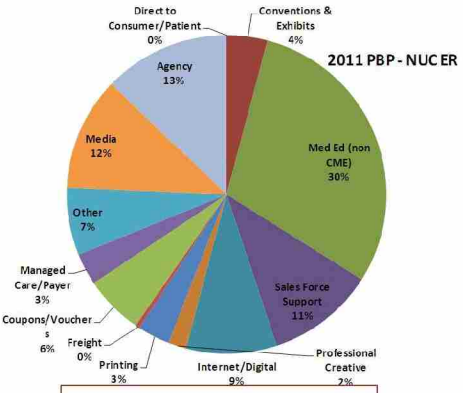
2010 OE-PBP BME's –NUCYNTA ER



Total budget - $14MM



Total budget - $22MM

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2010 OE-PBP BME's – TOTAL NUCYNTA

	FY October Est IR	FY October Est ER	OE Total	IR	ER	FY 2011 BP
Direct to Consumer/Patient	-	-	-	-		-
Conventions & Exhibits	1,310	550	1,860	600	900	1,500
Samples			-	-		-
Med Ed (non CME)	4,895	2,787	7,682	4,000	6,500	10,500
Ad Boards	-	-	-	-	-	-
Speaker Programs	4,895	2,787	7,682	4,000	6,500	10,500
Premiums	-	-	-	-	-	-
Other professional	-	-	-	-	-	-
Sales Force Support	2,233	3,392	5,624	1,500	2,392	3,892
Sales Force Support	2,233	3,392	5,624	1,500	2,392	3,892
Reprints/Promotional Literature/Sales Aids			-	-	-	-
Internet/Digital	1,648	1,633	3,281	1,650	2,000	3,650
Internet- Professional	1,648	1,633	3,281	1,000	1,600	2,600
Internet- Consumer			-	650	400	1,050
Professional Creative	385	580	965	350	404	754
Physician Advertising	385	580	965	350	404	754
Non-Personal	-	-	-	-	-	-
Printing	659	501	1,159	400	711	1,111
Freight	-	-	-	100	100	200
Coupons/Vouchers	3,800	-	3,800	5,700	1,300	7,000
Managed Care/Payer	8	699	707	600	700	1,300
Other	1,912	1,494	3,406	1,100	1,494	2,594
Public Relations	500	400	900	500	400	900
All Other	1,412	1,094	2,506	600	1,094	1,694
Media				1,000	2,500	3,500
Agency	5,339	2,177	7,516	5,200	2,800	8,000
Management Fees	512	180	692	200	300	500
Creative Fees	4,827	1,997	6,824	5,000	2,500	7,500
Total	22,188	13,811	36,000	22,200	21,801	44,001

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2010 OE-PBP Scenarios – NUCYNTA ER

ER Spend Scenarios	2010 OE $'s	2011 PBP $'s	2010 OE % Change	2011 PBP % Change
Launch - Oct '10	$ 13.8	$ 21.8		
Launch - Jan '11	$ 11.0	$ 21.8	-20%	0%
Launch - Apr ' 11	$ 11.0	$ 19.6	-20%	-10%
Launch - July ' 11	$ 11.0	$ 18.5	-20%	-15%

**2010 - All Scenarios
$4.5M shift of execution costs

**2011:
Jan Launch - Remains Flat
Apr Launch - Shift of 10% to 2012
July Launch - Shift of 15% to 2012

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Vision

NUCYNTA® redefines pain management success

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Positioning

For patients with moderate to severe pain, NUCYNTA® is the only broad coverage analgesic that provides superior outcomes.

Because:

1. Dual MOA, (MU/NRI) provide opioid-sparing benefits
2. Unsurpassed efficacy, established in the most prevalent pain conditions
3. Superior tolerability, leading to fewer discontinuations

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Market Fundamentals

- Pain Market Dynamics:
  - CII market had variable growth in 2009 with the short acting market up 8.3%, and the long acting market down 1.5% vs. Prior year; Recent trends indicate return to growth in LAO market
  - SAO $1.1 B (NSP $ volume) market, with 49.7MM TRx (97% generic)
  - LAO $5.5 B market, with 21MM TRx (62% generic)
  - Habitual and complacent prescribing patterns and high level of skepticism of new introductions
- Changing Market Dynamics:
  - Percocet (Oxycodone + APAP) accounts for 73% of SAO market volume, and it continues to maintain share in a growing market
  - Volume decline in the LAO market is driven by a number of factors including economic impacts, greater awareness of LAO abuse potential and potential impact of a class wide REMS program
  - Trend toward LAO- TRF formulations (75% of NDA filings TRF) may dictate future "cost of entry"
- Treatment Dynamics:
  - PCPs, Pain Specialists and Orthopedic Surgeons account for over 50% TRx volume and 75% DOT for both SAO and LAO markets
  - Back/Neck Patients dominate both acute and chronic pain types (37%, 77%)
- Payor landscape: Commercial (60%); Part D (21%) Medicaid (11%) Cash (8%)

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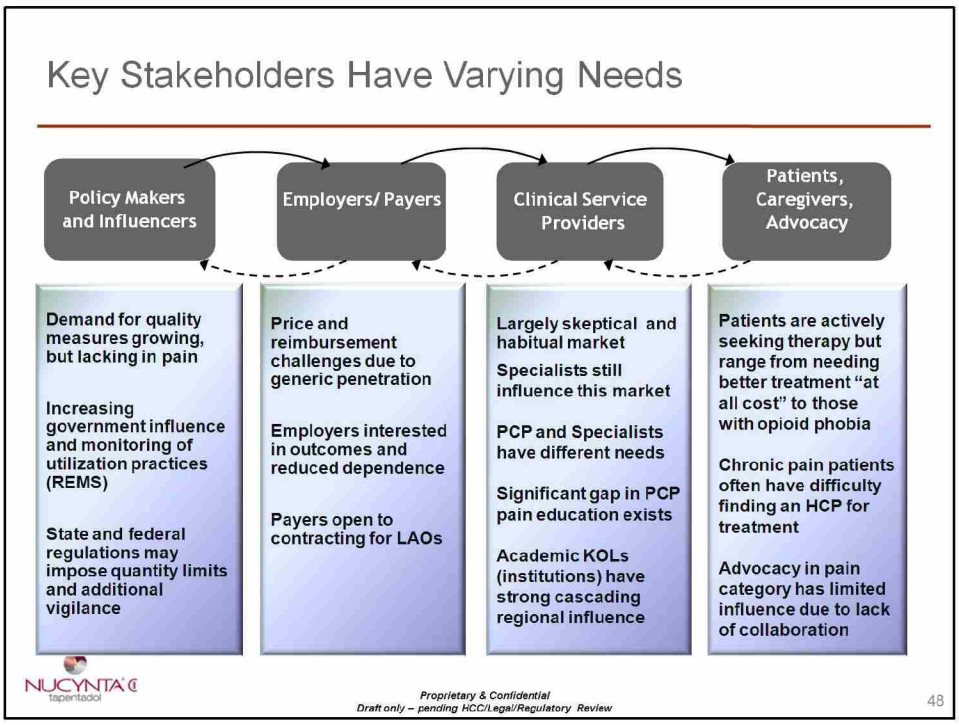
Key Stakeholders Have Varying Needs
Policy Makers and Influencers
Employers/ Payers
Clinical Service Providers
Patients, Caregivers, Advocacy
Demand for quality measures growing, but lacking in pain
Increasing government influence and monitoring of utilization practices (REMS)
State and federal regulations may impose quantity limits and additional vigilance
Price and reimbursement challenges due to generic penetration
Employers interested in outcomes and reduced dependence
Payers open to contracting for LAOs
Largely skeptical and habitual market
Specialists still influence this market
PCP and Specialists have different needs
Significant gap in PCP pain education exists
Academic KOLs (institutions) have strong cascading regional influence
Patients are actively seeking therapy but range from needing better treatment "at all cost" to those with opioid phobia
Chronic pain patients often have difficulty finding an HCP for treatment
Advocacy in pain category has limited influence due to lack of collaboration
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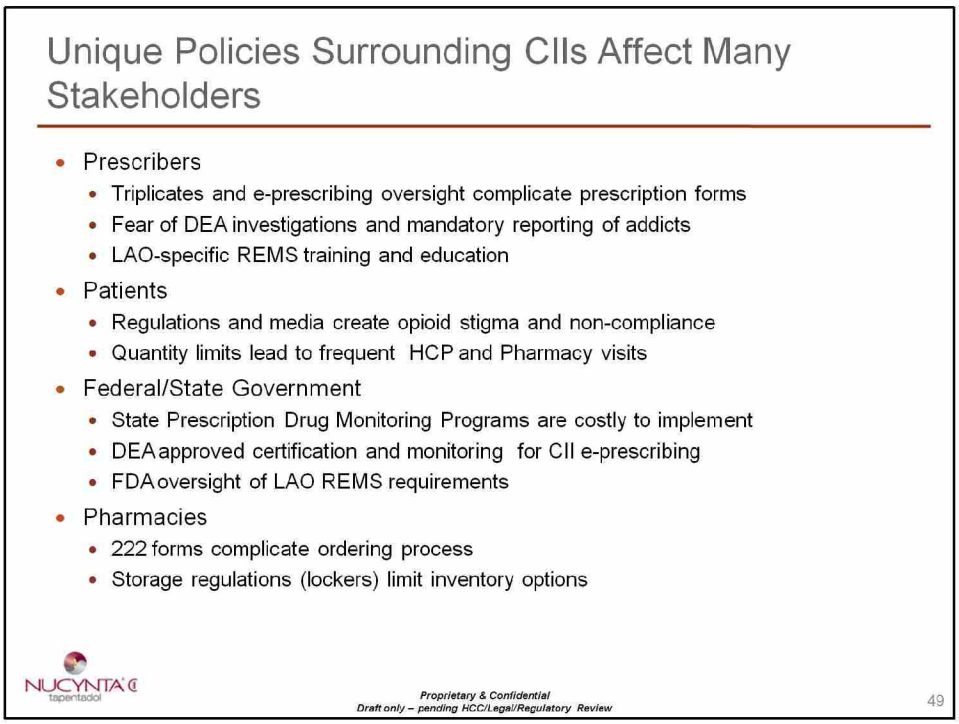
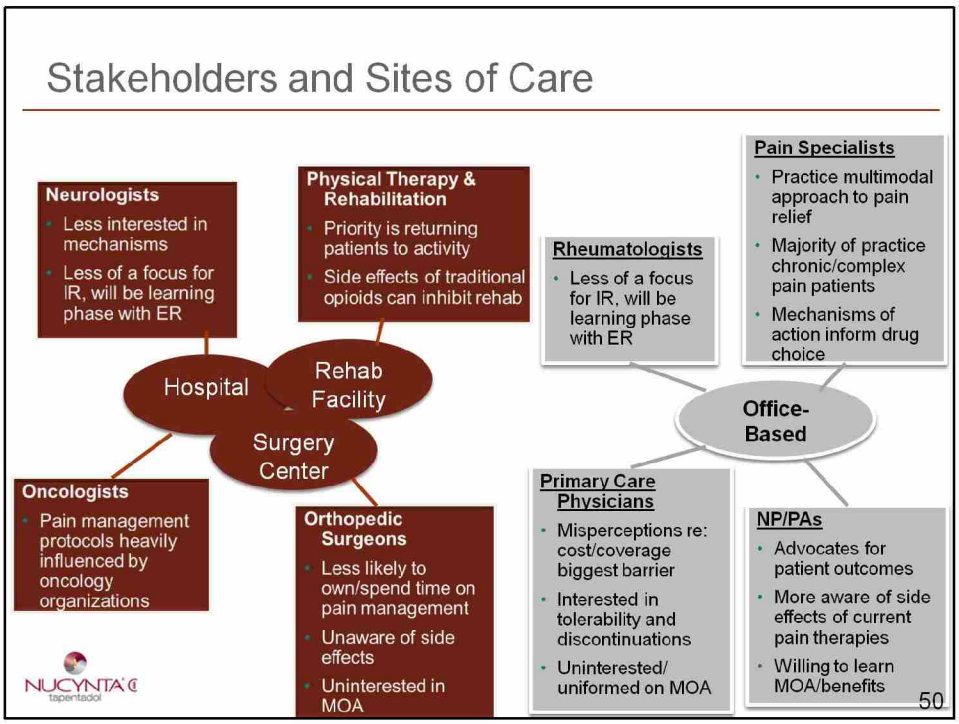


E-prescribing—systems must be backed up daily, requires DEA approved certification and ongoing monitoring


Stakeholders and Sites of Care
Neurologists
Less interested in mechanisms
Less of a focus for IR, will be learning phase with ER
Physical Therapy & Rehabilitation
Priority is returning patients to activity
Side effects of traditional opioids can inhibit rehab
Rheumatologists
Less of a focus for IR, will be learning phase with ER
Pain Specialists
Practice multimodal approach to pain relief
Majority of practice chronic/complex pain patients
Mechanisms of action inform drug choice
Hospital
Rehab Facility
Surgery Center
Office-Based
Oncologists
Pain management protocols heavily influenced by oncology organizations
Orthopedic Surgeons
Less likely to own/spend time on pain management
Unaware of side effects
Uninterested in MOA
Primary Care Physicians
Misperceptions re: cost/coverage biggest barrier
Interested in tolerability and discontinuations
Uninterested/ uniformed on MOA
NP/PAs
Advocates for patient outcomes
More aware of side effects of current pain therapies
Willing to learn MOA/benefits
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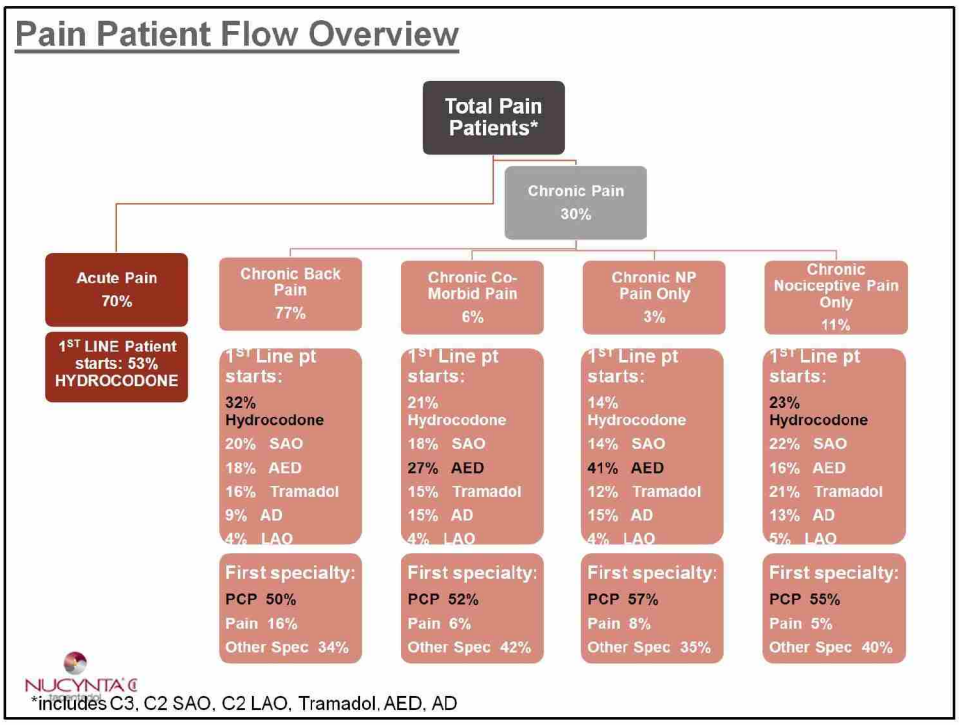
Pain Patient Flow Overview
Total Pain Patients*
Chronic Pain 30%
Acute Pain 70%
1ST LINE Patient starts: 53% HYDROCODONE
Chronic Back Pain 77%
1st Line pt starts:
32% Hydrocodone
20% SAO
18% AED
16% Tramadol
9% AD
4% LAO
First specialty:
PCP 50%
Pain 16%
Other Spec 34%
Chronic Co-Morbid Pain 6%
1st Line pt starts:
21% Hydrocodone
18% SAO
27% AED
15% Tramadol
15% AD
4% LAO
First specialty:
PCP 52%
Pain 6%
Other Spec 42%
Chronic NP Pain Only 3%
1st Line pt starts:
14% Hydrocodone
14% SAO
41% AED
12% Tramadol
15% AD
4% LAO
First specialty:
PCP 57%
Pain 8%
Other Spec 35%
Chronic Nociceptive Pain Only 11%
1st Line pt starts:
23% Hydrocodone
22% SAO
16% AED
21% Tramadol
13% AD
5% LAO
First specialty:
PCP 55%
Pain 5%
Other Spec 40%
NUCYNTA
*includes C3, C2 SAO, C2 LAO, Tramadol, AED, AD

SAO Market Overview

Market size: 53.2mm TRx (2010 OE est), 7% growth vs py

Est 79% acute, 21% chronic TRx

Est 80% 20-64 yo, 20% 65+ yo

Average persistency of 1.9 months

% NSP $ by channel:
Retail 88%
LTC 3%
Hospital 3%
Clinics 2%
Federal 1%
Mail order 1%

% TRx by payor type:
C3P 48%
Cash 12%
Medicaid 9%
Medicare 17%
Work Comp 2%
Other 13%

% by DDD (units) class of trade:
Hospital 34%
VA/DoD 30%
LTC 21%
Clinics 7%
Retail 3%
Misc 4%

% by dispensed TRx:
Retail 92%
LTC 8%
Mail order <1%

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LAO Market Overview

Market size: 21.6mm TRx (2010 OE est), .7% growth vs py

Est <5% acute, >95% chronic TRx

Est 70% 20-64 yo, 30% 65+ yo

Average persistency of 3.9 months

% NSP $ by channel:

Retail 87%

LTC 6%

Hospital 2%

Clinics 2%

Federal 1%

Mail order 2%

% TRx by payor type:

C3P 47%

Cash 6%

Medicaid 7%

Medicare 26%

Work Comp 4%

Other 11%

% by DDD (units) class of trade:

Hospital 23%

VA/DoD 35%

LTC 26%

Clinics 5%

Retail 5%

Misc 5%

% by dispensed TRx:

Retail 83%

LTC 16%

Mail order1%

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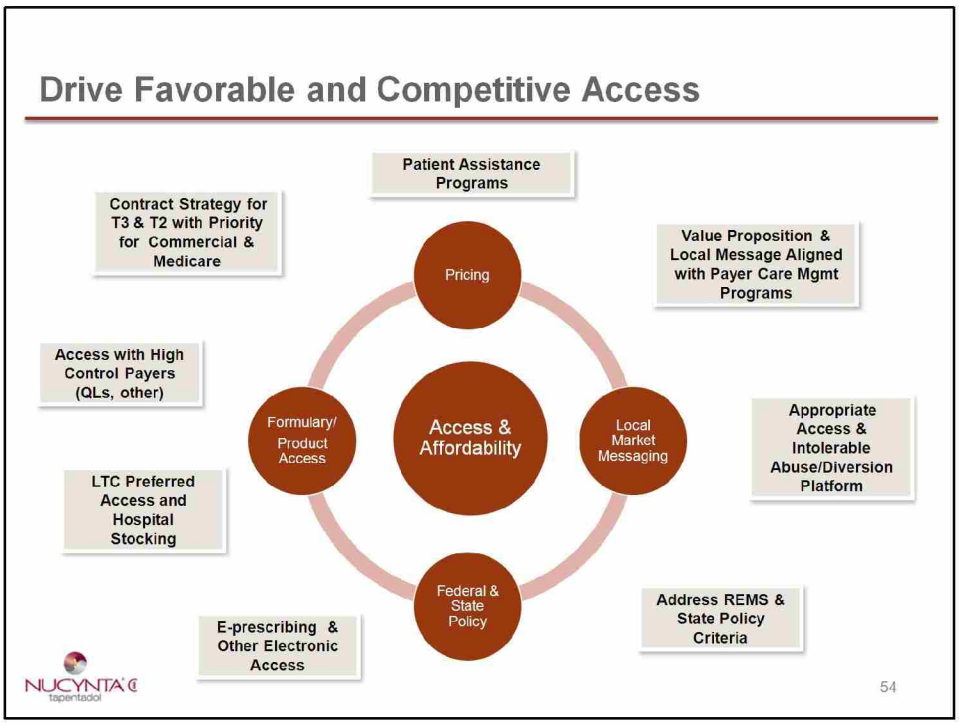
Drive Favorable and Competitive Access
Patient Assistance Programs
Contract Strategy for T3 & T2 with Priority for Commercial & Medicare
Pricing
Value Proposition & Local Message Aligned with Payer Care Mgmt Programs
Access with High Control Payers (QLs, other)
Formulary/ Product Access
Access & Affordability
Local Market Messaging
Appropriate Access & Intolerable Abuse/Diversion Platform
LTC Preferred Access and Hospital Stocking
Federal & State Policy
Address REMS & State Policy Criteria
E-prescribing & Other Electronic Access
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